

ACT #2017-367

1 HB342
2 183184-3
3 By Representatives McMillan, Shiver and Davis
4 RFD: State Government
5 First Read: 02-MAR-17



1
2 ENROLLED, An Act,

3 To provide for an optional one-time lump-sum
4 addition to the retirement benefits of certain retirees and
5 beneficiaries of those whose employer participated in the
6 Employees' Retirement System pursuant to Sections 36-27-6,
7 36-27-7, and 36-27-7.1, Code of Alabama 1975.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. (a) There is provided for fiscal year
10 2017-2018 an optional one-time lump-sum payment, hereinafter
11 referred to as lump-sum payment, to those whose employer
12 participated in the Employees' Retirement System pursuant to
13 Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama
14 1975, whose effective date of retirement for purposes of
15 receiving benefits from the Employees' Retirement System is
16 prior to May 1, 2017, and who is receiving or is entitled to
17 receive a monthly allowance from the Employees' Retirement
18 System on November 30, 2017.

19 (b) The formula for calculating the lump-sum payment
20 shall be two dollars (\$2) per month for each year of service
21 attained by the retiree or three hundred dollars (\$300),
22 whichever is greater.

23 (c) For purposes of this act, service includes the
24 service under Section 36-27-1 and Article 9, commencing with

1 Section 36-27-170, of Chapter 27, Title 36, Code of Alabama
2 1975, as well as hazardous duty (FLC bonus) credit.

3 Section 2. (a) Each person whose employer
4 participated in the Employees' Retirement System pursuant to
5 Section 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama 1975,
6 whose effective date of retirement for purposes of receiving
7 benefits from the Employees' Retirement System is prior to May
8 1, 2017, and who is receiving or is entitled to receive a
9 monthly allowance from the Employees' Retirement System on
10 November 30, 2017, shall receive the lump-sum payment
11 specified in subsections (a) and (b) of Section 1, if the
12 employer elects to come under this act by official resolution
13 on or before October 31, 2017. Any employer making the
14 election to come under the act shall bear the cost of the
15 lump-sum payment paid to its retirees pursuant to this
16 section.

17 (b) If the employer elects to come under this act,
18 beneficiaries of deceased members or deceased retirees retired
19 from an employer participating in the Employees' Retirement
20 System pursuant to Section 36-27-6, 36-27-7, and 36-27-7.1,
21 Code of Alabama 1975, if the date of death for the deceased
22 member or the effective date of retirement for the deceased
23 retiree for purposes of receiving benefits from the Employees'
24 Retirement System was prior to May 1, 2017 and if the
25 beneficiary is receiving or is eligible to receive a monthly

1 allowance from the Employees' Retirement System on November
2 30, 2017, shall receive a lump-sum payment of three hundred
3 dollars (\$300).

4 Section 3. ~~(a) Each person whose employer~~
5 ~~participated in the Employees' Retirement System pursuant to~~
6 ~~Sections 36-27-7 and 36-27-7.1, Code of Alabama 1975, whose~~
7 ~~effective date of retirement for purposes of receiving~~
8 ~~benefits from the Employees' Retirement System is prior to May~~
9 ~~1, 2017, and who is receiving or is entitled to receive a~~
10 ~~monthly allowance from the Employees' Retirement System on~~
11 ~~November 30, 2017, shall receive the lump-sum payment~~
12 ~~stipulated in subsections (a) and (b) of Section 1. Any~~
13 ~~employer making the election to come under the act shall bear~~
14 ~~the cost of the lump-sum payment paid to its retirees pursuant~~
15 ~~to this section.~~

16 ~~(b) If the employer elects to come under this act,~~
17 ~~beneficiaries of deceased members or deceased retirees of~~
18 ~~employers participating in the Employees' Retirement System~~
19 ~~pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama~~
20 ~~1975, shall receive a lump-sum payment of three hundred~~
21 ~~dollars (\$300).~~

22 Section 4. (a) Any retired pensioner or annuitant
23 who retired from a city, town, county, or public or
24 quasi-public organization of the state before the city, town,
25 county, or public or quasi-public organization of the state

1 became a member of the Employees' Retirement System, and who
2 is receiving or is entitled to receive a monthly allowance
3 from the Employees' Retirement System on November 30, 2017
4 shall receive the lump-sum payment stipulated in subsections
5 (a) and (b) of Section 1, provided the employer elects to come
6 under this act. Any employer making the election to come under
7 the act shall bear the cost of the lump-sum payment paid to
8 its retirees pursuant to this section and provide the
9 Employees' Retirement System with the number of years of
10 creditable service earned by each of its eligible annuitants
11 and pensioners.

12 (b) Beneficiaries of Employees' Retirement System
13 pensioners or annuitants described in subsection (a) shall
14 receive a lump-sum payment of three hundred dollars (\$300),
15 provided the date of death for the deceased pensioner or
16 annuitant or the effective date of retirement for the deceased
17 pensioner or annuitant was prior to May 1, 2017 and the
18 beneficiary is receiving or is entitled to receive a monthly
19 allowance from the Employees' Retirement System on November
20 30, 2017 and the local unit elects to fund the lump-sum
21 payment of three hundred dollars (\$300) and provides the
22 Employees' Retirement System with the number of years of
23 creditable service earned by each of its eligible annuitants
24 and pensioners.

1 Section 5. Any pensioner or annuitant who retired
2 from a city, town, county, or public or quasi-public
3 organization of the state before the city, town, county, or
4 public or quasi-public organization of the state became a
5 member of the Employees' Retirement System and is receiving a
6 monthly benefit on November 30, 2017, not administered by the
7 Employees' Retirement System may receive the lump-sum payment
8 stipulated in subsections (a) and (b) of Section 1, provided
9 the retired employee retired prior to May 1, 2017, and the
10 employer decides to come under this act and fund the lump-sum
11 payment. The Employees' Retirement System shall not make
12 payments to these pensioners or annuitants. The employer shall
13 make payments to its pensioners and annuitants under this
14 section.

15 Section 6. The Board of Control of the Employees'
16 Retirement System shall make all reasonable efforts to notify
17 any employer who participated in the Employees' Retirement
18 System and has withdrawn from participation by the effective
19 date of this act that the lump-sum stipulated in Section 1 is
20 available to their retirees and beneficiaries provided the
21 employer elects the lump-sum payment.

22 Section 7. Any person who received benefits under
23 the Medicaid program and whose eligibility for Medicaid
24 benefits would be impaired by the lump-sum payment provided by
25 this act shall not be entitled to receive the aforementioned

1 increase. Any person who subsequently applies for benefits
2 under the Medicaid program and that person's eligibility to
3 receive benefits is impaired by the lump-sum payment provided
4 by this act shall not be entitled to receive the increase
5 subsequent to the date that the member files application for
6 benefits under the Medicaid program.

7 Section 8. The Board of Control of the Employees'
8 Retirement System shall determine the amount required to pay
9 the cost of the lump-sum payments provided under this act and
10 shall notify the chief fiscal officer of each employer of the
11 increases in the employer rate required to be paid to the
12 system. For the fiscal year beginning October 1, 2018 only,
13 each employer shall pay the increase in the employer rate in
14 the same manner and from the same source of funds as salaries
15 of active members are paid.

16 Section 9. The lump-sum payments provided under this
17 act shall be paid to all eligible recipients by the Employees'
18 Retirement System in December 2017.

19 Section 10. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwsie becoming law.

Mac McClatchey

Speaker of the House of Representatives

Del Marshall

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 27-APR-17, as amended.

Jeff Woodard
Clerk

Senate

17-MAY-17

Passed

APPROVED

5-24-2017

TIME

3:15 PM

Kay Ivey
GOVERNOR

Alabama Secretary Of State

Act Num....: 2017-367
Bill Num....: H-342

Recv'd 05/25/17 09:28amSLF

HOUSE ACTION

5
SPRS
Jillian
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I HEREBY CERTIFY THAT THE
RESOLUTION AS REQUIRED IN
SECTION C OF ACT NO. 81-889
WAS ADOPTED AND IS ATTACHED
TO THE BILL, H.B. 342

YEAS 63 NAYS 1

JEFF WOODARD, Clerk

I HEREBY CERTIFY THAT THE
NOTICE & PROOF IS ATTACHED
TO THE BILL, H.B. _____
AS REQUIRED IN THE GENERAL
ACTS OF ALABAMA, 1975 ACT NO.
919.

JEFF WOODARD, Clerk

CONFERENCE COMMITTEE

House Conferees _____

SENATE ACTION

DATE: 5-9 2017

RD 1 RFD 63

This Bill was referred to the Standing
Committee of the Senate on

and was acted upon by such Committee in
session and is by order of the Committee
returned therefrom with a favorable report
w/amend(s) C w/sub C by a vote of
yeas 8 nays 0 abstain 0

this 4th day of May 2017
Jimmie H. Davis chairperson

DATE: 5-9 2017

RF FAV RD 2 CAL

DATE: _____ 20__

RE-REFERRED ☐ RE-COMMITTED ☐

Committee _____

I hereby certify that the Resolution as
required in Section C of Act No. 81-889
was adopted and is attached to the Bill,
HB 342.

YEAS 24 NAYS 0

PATRICK HARRIS,
Secretary